



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 27 2005

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

FIRST CLASS MAIL

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Tesoro Petroleum Companies, Inc.
300 Concord Plaza Drive
San Antonio, TX 78216-6999

RE: United States v. BP Exploration & Oil Co. - Civil Action No: 2:96 CV 095 RL
Acid Gas Flaring Incident, on January 21, 2005, at the Mandan Refinery,
North Dakota

Dear Sirs:

The United States Environmental Protection Agency (EPA) received the reports, dated February 17, 2005 and April 1, 2005, detailing the root cause failure analysis for the January 21, 2005 acid gas flaring incident that occurred at Tesoro's refinery located in Mandan, North Dakota. Based on the information submitted in the reports, EPA has determined that the incident is not a malfunction and subject to the provisions of Paragraph 22.C.i.c.1.ii because it resulted from the first time occurrence of a root cause; therefore, the stipulated penalty provisions of Paragraph 47 do not apply to this flaring incident.

Tesoro reported that the January 21, 2005 flaring incident lasted for 41 minutes and released 0.3 tons of sulfur dioxide (SO₂) to the atmosphere. According to Tesoro, the sulfur recovery unit (SRU) shut down due to a power interruption to the SRU itself during a freezing rain storm. Tesoro determined that power outage resulted from substantial ice built-up on the electrical lines, caused in part by the water vapor drift from the nearby cooling towers. In addition, Tesoro noted that there were high winds and possible gusting during the storm. According to Tesoro, a combination of ice build-up and wind caused a lightning arrestor array to collapse onto electrical lines, tripping the breakers to the SRU. Operations personnel were able to isolate the SRU electrical feeder line and close the breaker within minutes.

Tesoro / EPA Decision Memo / Tesoro Mandan ag 05-1 - 21 - HQ. pdf

Tesoro asserts that the root cause of this flaring incident was due to weather - wind and ice build-up causing excessive load on the power lines. Tesoro also asserts that the location of the cooling towers in relation to the power lines further exacerbated this ice build-up situation.

To prevent further occurrence of flaring incidents resulting from the loss of power to the SRU itself, Tesoro plans to install an isolated secondary power supply with backup switching for only the SRU by January 2007 at a cost of approximately \$1,500,000.

EPA finds that this flaring incident is subject to Paragraph 22.C.i.c.1.ii because the incident resulted from the first time occurrence of a root cause that is reasonably preventable through the exercise of good engineering practice; that is a redundant power supply for the SRU itself.

According to our records, this is the tenth flaring incident at the Mandan refinery since the lodging of the Consent Decree, and the fifth in the last twelve months.

Should you have any questions or if you wish to discuss this matter, please contact Mr. Scott Whitmore at (303) 312-6317.

Sincerely,



Adam Kushner, Director
Air Enforcement Division,
Office of Civil Enforcement

cc (electronically): Alan R. Anderson
Scott Whitmore, U.S. EPA, Region 8
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